

RECORDATION NO. **23393** FILED

MAR 1 '01 11-37 AM
TS
SURFACE TRANSPORTATION BOARD

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OF COUNSEL
URBAN A. LESTER

March 1, 2001

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Loan and Security Agreement, dated February 28, 2001, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Lender: Deutsche Financial Services Corporation
1181 C Lake Cook Road
Deerfield, Illinois 60015

Borrower: Midwest Railcar Corporation
9876 213th Avenue, N.W.
Elk River, Minnesota 55330

A description of the railroad equipment covered by the enclosed document is:

Thirty-four (34) boxcars within the series DME 005600 - DME 005649 not inclusive.

Mr. Vernon A. Williams
February 27, 2001
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A short summary of the document to appear in the index is:

Memorandum of Loan and Security Agreement, dated February 28, 2001, between Deutsche Financial Services Corporation, Lender, and Midwest Railcar Corporation, Borrower, covering thirty-four (34) boxcars within the series DME 005600 - DME 005649 not inclusive.

Also enclosed is a check in the amount of \$27.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Robert W. Alvord".

Robert W. Alvord

RWA/bjg
Enclosures

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SURFACE TRANSPORTATION BOARD

MEMORANDUM OF LOAN AND SECURITY AGREEMENT

BETWEEN

**DEUTSCHE FINANCIAL SERVICES CORPORATION
("LENDER")**

AND

**MIDWEST RAILCAR CORPORATION
("BORROWER")**

February 28, 2001

Memorandum of Loan and Security Agreement made and entered into as of February 28, 2001, by and between Deutsche Financial Services Corporation, a Nevada corporation ("Lender"), and Midwest Railcar Corporation, an Illinois corporation ("Borrower").

W I T N E S S E T H:

To secure all obligations of the Borrower under a certain Loan and Security Agreement dated of even date herewith (the "Loan Agreement"), and that certain Promissory Note also dated of even date herewith, Borrower hereby assigns to Lender all of Borrower's rights, title and interest in the railcars/boxcars set forth and described on the Schedule of Boxcars attached hereto (the railcars/boxcars on the aforementioned Schedule of Boxcars shall hereinafter be called the "Boxcars"), as such Schedule of Boxcars may be amended from time to time, and grants to Secured Party a first priority security interest in: (i) the Boxcars; (ii) Borrower's interest in accessions, accessories, equipment, appurtenances and replacement and added parts appertaining or attached to any of the Boxcars owned or hereinafter acquired, and all substitutions, renewals or replacements of and additions, improvements, accessions and accumulations to any of the Boxcars, together with all the rents, issues, income, profits, proceeds and avails therefrom and the proceeds thereof; (iii) all proceeds and all present and future evidences of rights to payment, (including, without limitation, insurance and indemnity payments) due or to become due to Borrower on account of the lease, sale, loss or other disposition of the Boxcars; (iv) those two Full Service Lease Agreements dated effective November 14, 2000, and Full Service Lease # 2000-DME Riders 1 and 2 thereto, respectively, and Full Service Lease # 2000-DME Exhibit A to said Riders 1 & 2, respectively, and any additional equipment riders and schedules thereto (together, the "Leases") and all bills of sales or other similar documents, agreements and instruments relating to the Boxcars, and all other leases, subleases, chattel paper, agreements, accounts, bank or deposit accounts and instruments relating to the Boxcars, whether now existing or hereafter arising (collectively, the "Documentary Security" or "Security Documentation"), together with all of Borrower's estate, right, title, interest, claims and demands in, to and under such documents, agreements and instruments including all extensions of any of the terms thereof, together with all rights, powers, privileges, options, and other benefits of Borrower including without limitation the right to receive notices, give consents, exercise any election or option, declare defaults and demand payments thereunder, and (v) all rent, damages and other moneys from time to time payable to or receivable by Borrower under the Documentary Security (the Boxcars, Documentary Security, proceeds, rights, claims and causes of action described in items (i) through (v) above being herein sometimes collectively called the "Collateral"), to have and to hold all and every part of the Collateral unto Lender, and its successors and assigns, for its and their own use and benefit forever.

This Memorandum of Loan and Security Agreement may be executed in any number of counterparts, each executed counterpart constituting an original but together only one Memorandum

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of Loan and Security Agreement.

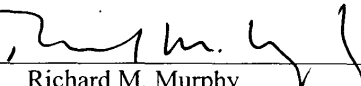
IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed and sealed by their respective corporate officers as of the date and year first above written.

DEUTSCHE FINANCIAL SERVICES
CORPORATION, as Lender

By: 
Patrick J. Mazzanti

Title: Assistant Vice President

MIDWEST RAILCAR CORPORATION
as Borrower


By: 
Richard M. Murphy

Title: President & CEO

STATE OF Arizona)
COUNTY OF Maricopa) ss.

On this 28 day of February, 2001, before me personally appeared PATRICK J. MAZZANTI, to me personally known, who being by me duly sworn, says that he is the ADP of Deutsche Financial Services Corporation, that the foregoing instrument was signed on behalf of said national banking association, and he acknowledged that the execution of the said instrument was his free act and deed.

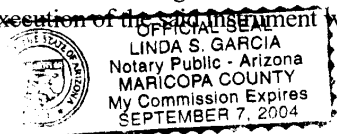



NOTARY PUBLIC

My commission expires: 9/7/04

STATE OF Arizona)
COUNTY OF Maricopa) ss.

On this 28 day of February, 2001, before me personally appeared Richard M. Murphy, to me personally known, who being by me duly sworn, says that he is the President & CEO of Midwest Railcar Corporation, an Illinois corporation that the foregoing instrument was signed on behalf of Midwest Railcar Corporation, and he acknowledged that the execution of the said instrument was his free act and deed.




NOTARY PUBLIC

My commission expires: 9/7/04

**SCHEDULE TO MEMORANDUM OF LOAN AND SECURITY AGREEMENT
DEUTSCHE FINANCIAL SERVICES – LENDER
MIDWEST RAILCAR CORPORATION - BORROWER**

	NEW CAR NUMBER	ORIGINAL CAR NUMBER	LESSEE	ORIGINAL BUILT DATE	REBUILT DATE
1	DME 005600	WP 066337	Dakota, Minnesota & Eastern Railroad Corporation	10/69	1991
2	DME 005602	SP 691781	Dakota, Minnesota & Eastern Railroad Corporation	03/78	n/a
3	DME 005603	WP 066301	Dakota, Minnesota & Eastern Railroad Corporation	10/69	1991
4	DME 005604	MP 795005	Dakota, Minnesota & Eastern Railroad Corporation	06/69	10/91
5	DME 005605	MP 795012	Dakota, Minnesota & Eastern Railroad Corporation	06/69	11/91
6	DME 005606	MP 795017	Dakota, Minnesota & Eastern Railroad Corporation	05/69	12/91
7	DME 005609	UP 463058	Dakota, Minnesota & Eastern Railroad Corporation	09/69	04/92
8	DME 005612	MP 793015	Dakota, Minnesota & Eastern Railroad Corporation	06/77	n/a
9	DME 005613	UP 463051	Dakota, Minnesota & Eastern Railroad Corporation	04/69	1992
10	DME 005615	UP 463231	Dakota, Minnesota & Eastern Railroad Corporation	08/70	1992
11	DME 005618	WP 066322	Dakota, Minnesota & Eastern Railroad Corporation	10/69	1991
12	DME 005619	UP 463211	Dakota, Minnesota & Eastern Railroad Corporation	08/70	1992
13	DME 005620	UP 463082	Dakota, Minnesota & Eastern Railroad Corporation	07/69	05/92
14	DME 005621	UP 463243	Dakota, Minnesota & Eastern Railroad Corporation	04/70	08/92
15	DME 005623	WP 066315	Dakota, Minnesota & Eastern Railroad Corporation	10/69	1991
16	DME 005624	WP 066318	Dakota, Minnesota & Eastern Railroad Corporation	10/69	1991
17	DME 005625	UP 463225	Dakota, Minnesota & Eastern Railroad Corporation	04/70	08/92
18	DME 005626	WP 066331	Dakota, Minnesota & Eastern Railroad Corporation	10/69	1991
19	DME 005628	UP 463293	Dakota, Minnesota & Eastern Railroad Corporation	06/70	1992
20	DME 005629	UP 463307	Dakota, Minnesota & Eastern Railroad Corporation	06/70	1992
21	DME 005631	MP 793008	Dakota, Minnesota & Eastern Railroad Corporation	06/77	n/a
22	DME 005632	SP 691770	Dakota, Minnesota & Eastern Railroad Corporation	03/78	n/a
23	DME 005635	UP 465278	Dakota, Minnesota & Eastern Railroad Corporation	07/74	n/a
24	DME 005636	UP 463404	Dakota, Minnesota & Eastern Railroad Corporation	05/67	1994
25	DME 005638	MP 793009	Dakota, Minnesota & Eastern Railroad Corporation	06/77	n/a
26	DME 005639	MP 795006	Dakota, Minnesota & Eastern Railroad Corporation	10/69	1991
27	DME 005640	UP 465256	Dakota, Minnesota & Eastern Railroad Corporation	07/74	n/a
28	DME 005641	UP 463227	Dakota, Minnesota & Eastern Railroad Corporation	08/70	1992
29	DME 005642	SP 691703	Dakota, Minnesota & Eastern Railroad Corporation	08/75	n/a
30	DME 005643	UP 463326	Dakota, Minnesota & Eastern Railroad Corporation	05/70	1993
31	DME 005644	WP 066300	Dakota, Minnesota & Eastern Railroad Corporation	10/69	1991
32	DME 005645	WP 066340	Dakota, Minnesota & Eastern Railroad Corporation	10/69	1991
33	DME 005646	UP 463332	Dakota, Minnesota & Eastern Railroad Corporation	05/70	1993
34	DME 005649	UP 466135	Dakota, Minnesota & Eastern Railroad Corporation	05/73	1996